

The holidays are usually a time of getting together with family and friends, good food and gift giving. But for many people who don't plan holiday spending in advance, they find themselves with a financial hangover well into the New Year. As the temperature drops, our desire to spread some holiday cheer can be dampened by apprehension about holiday spending.



You can reduce your holiday financial stress by planning purchases in advance:

- **Start by looking at your monthly budget** and determine a realistic amount that you can spend on holiday gifts.
- **Make a list** of everyone you need to buy gifts for and those you may want to buy gifts for.
- **Set a limit** on how much you will spend on each person on your list.
- **Add to that gift budget** any money you will spend on holiday cards, postage, decorations and holiday entertainment.
- **Compare your gift budget** against the money you first determined you really had available to spend and make adjustments where you can.
- **Decide where to shop – and shop early.** You may find deeper discounts the closer you get to the holidays, but you will also have a limited selection of items. Shopping early also gives you time to comparison shop.

With all the shopping we do for our friends, family and co-workers, many people end up charging everything to a credit card. But if the balance isn't paid off right away, you can find yourself paying for the gifts you purchased for months afterward, plus interest. Some financial institutions do still offer holiday club accounts and they are a really good way to put a small amount of money aside every week or every paycheck for nine months of the year, and then the account balance plus interest is typically transferred to your checking account in October, November or December.

To reduce your stress level even more during this season, you will also want to:

- **Keep receipts** so returns are easier.
- **Pay attention** to return policies for items you purchased.
- **Shop clearance** racks.
- **Be creative** with your gifts. Try homemade gifts, or consider donations to a favorite charity instead of a store bought gift.

Most people want to give gifts on the holidays so it is a really good idea to budget for that ahead of time and put money aside – even into a regular savings account – that you don't touch until the holiday season arrives. And if you don't currently save for holiday spending this way, plan to start as soon as this holiday season ends.